

MAY 13 '98

2-00PM

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECEIVED
SURFACE TRANSPORTATION
BOARD

MAY 13 1 56 PM '98

May 13, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Master Lease Schedule No. 002, dated May 8, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Lease Agreement previously filed with the Board under Recordation Number 21303.

The names and addresses of the parties to the enclosed document are:

Lessor: Heller Financial Leasing, Inc.
500 West Monroe Street
Chicago, Illinois 60661

Lessee: CMC Railroad, Inc.
P.O. Box 247
State Highway 146 South
Dayton, Texas 77535

A description of the railroad equipment covered by the enclosed document is:

two (2) locomotives bearing MPEX reporting marks and road numbers
1504 and 1505

Excluded from Part 1

Vernon A. Williams
May 13, 1998
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

RECORDATION NO. 21303-A
FILED

MAY 13 '98

2-00PM

This is certified to be a true and exact copy of the original.

Deborah L. Mundt

MASTER LEASE SCHEDULE

Deborah L. Mundt
Portfolio Manager

Name and Address of Lessee:
CMC Railroad, Inc.
P.O. Box 247, State Highway 146 South
Dayton, Texas 77535

Master Lease Agreement No.: 192-0200
Master Lease Agreement Date: March 27, 1998
Master Lease Schedule No.: 002
Master Lease Schedule Date: May 8, 1998

The Equipment described below is hereby leased on the terms and conditions specified herein and in the above-referenced Master Lease Agreement between the Lessee shown above and Heller Financial Leasing, Inc., a Delaware corporation, the terms and conditions of which are incorporated herein by this reference. Capitalized terms used in this Schedule shall have the same meaning as set forth in the above-referenced Master Lease Agreement.

- 1. Items of Equipment.** The Items of Equipment covered by this Schedule are described in the attached Schedule B, which is incorporated herein by this reference, together with all attachments, replacements, parts, substitutions, acquisitions, upgrades, repairs, accessions and accessories incorporated therein and/or affixed thereto (the "Equipment").
- 2. Equipment Cost.** The aggregate Equipment Cost of the Items of Equipment covered by this Schedule shall be deemed to be Two Million One Hundred Twenty Thousand and 00/100 Dollars (\$2,120,000.00). The Equipment Cost of each Item of Equipment covered by this Schedule shall be the purchase price therefor as reflected in the contract or bill of sale, as applicable, by which Lessor acquires the Item.
- 3. Equipment Location.** The location(s) of the Items of Equipment covered by this Schedule shall, at all times during the Term with respect thereto, be as set forth in the attached Schedule B.
- 4. Classification.** The Equipment covered by this Schedule is classified under Section 168(e) of the Internal Revenue Code of 1986, as seven year property.
- 5. Acceptance Date.** The Acceptance Date for the Equipment covered by this Schedule is May 8, 1998.
- 6. Commencement Date.** The Commencement Date for the Equipment covered by this Schedule shall be June 1, 1998.
- 7. Initial Term.** The initial Term for the Equipment covered by this Schedule shall be the period from the Acceptance Date to the Commencement Date, plus One Hundred Twenty (120) month(s), plus one (1) day if rent is payable in arrears.
- 8. Basic Rent.** Basic Rent for the Equipment covered by this Schedule, in the amount of Sixteen Thousand One Hundred Seventy Seven and 01/100 Dollars (\$16,177.01), plus applicable taxes, shall be due in arrears on the first day of each consecutive calendar month during the Term, commencing on June 1, 1998. (The periodic Basic Rent for each Item of Equipment covered by this Schedule shall equal the periodic Basic Rent for all Equipment covered by this Schedule, as specified above, multiplied by a fraction, the numerator of which shall be the Equipment Cost of the Item and the denominator of which shall be the aggregate Equipment Cost as shown above.)

Executed and delivered as of the date above shown as a Schedule to the above-referenced Master Lease Agreement.

"LESSOR"

HELLER FINANCIAL LEASING, INC.

By: *Dominick J. Masciantonio*
Name: Dominick J. Masciantonio
Senior Vice President
Title: _____

"LESSEE"

CMC RAILROAD, INC.

By: *Bill Holander*
Name: Bill Holander
Title: PRESIDENT

Master Lease Agreement No.: 192-0200
Master Lease Agreement Date: 3/27/98
Master Lease Schedule No.: 002
Master Lease Schedule Date: 5/8/98

Schedule B

One (1) Boise Locomotive Company Model MP1500D, 1500 Brake Horsepower Diesel Electric Locomotive; AAR Designation B-B; Industry Designation 0440; Road No. MPEX 1504; Serial No. 20759; and

One (1) Boise Locomotive Company Model MP1500D, 1500 Brake Horsepower Diesel Electric Locomotive; AAR Designation B-B; Industry Designation 0440; Road No. MPEX 1505; Serial No. 23865.

Location of Equipment:

P.O. Box 247, State Highway 146 South
Dayton, Texas 77535
Liberty County